

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION FOR AN ORDER)
AUTHORIZING AMERICAN LONG LINES, INC. TO)
PROVIDE COMPETITIVE FACILITIES-BASED)
LOCAL EXCHANGE SERVICES AND EXCHANGE)
ACCESS SERVICES THROUGHOUT NEW JERSEY)

ORDER

DOCKET NO. TE02070392

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N. J. S. A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., and, by letter dated May 7, 2002, American Long Lines, Inc. ("Petitioner" or "ALL") respectfully filed a Petition with the Board of Public Utilities ("Board") requesting authority to provide all forms of facilities-based competitive local exchange and exchange access telecommunications services throughout the State of New Jersey. Petitioner requests confidential treatment of the financial information in Exhibit C of its Petition.¹

Originally, American Long Lines, Inc. ("ALL") was incorporated in 1986 under the laws of the State of Pennsylvania. It became a wholly-owned subsidiary of Teligent, Inc., which filed for bankruptcy in May 2001. Teligent sold the assets of the old American Long Lines to ALL Acquisition Corporation, a company formed by employees of ALL. The sale was approved by the Bankruptcy Court in August 2001. ALL Acquisition Corporation subsequently changed its name to American Long Lines, Inc. The principals of the new company are the same as the old company. Petitioner's principal offices are located at 700 Enterprise Drive, 2nd Floor, Horsham, Pennsylvania 19044.

Petitioner submitted copies of its Articles of Incorporation, New Jersey Certificate of Good Standing and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. According to the Petition, ALL was formed to provide competitive facilities-based local exchange and exchange access telecommunications services. Petitioner states that it is currently authorized to provide resold interexchange service in 47 states and is authorized to provide local exchange

¹ Pursuant to the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and by letter from the Secretary, Petitioner has been notified that the Board shall handle such requests for confidential treatment in accordance with the Board's proposed regulations at N.J.A.C. 14:12 et seq.

service in New York and Pennsylvania. Petitioner states that it has not been denied authority to provide telecommunications services in any state and has not had its authority to provide telecommunications service revoked in any state. ALL says that it is currently negotiating an interconnection unbundled network elements platform ("UNE-P") agreement with Verizon New Jersey, Inc. ("Verizon NJ").

In its Petition, Petitioner seeks authority to offer facilities-based local exchange telecommunications services to business customers using UNE-P and local exchange services including basic local service, PBX trunk service, direct inward dialing, optional calling features and listing services. The Petitioner will offer these services in conjunction with its interexchange toll services, which include inbound and outbound interexchange telecommunications services to business customers, utilizing switched and dedicated access. Petitioner initially proposes to offer service in the same territory as Verizon NJ and in the future, intends to offer service throughout the state of New Jersey. According to the Petition, service will be available 24 hours a day, 7 days a week and customers will receive a monthly billing along with a customer service phone number which is also available 24 hours a day, 7 days a week.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8, N. J. A. C. 14:1-4.3 and 14:10 -1.16, which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts (USOA), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP) and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in Horsham, Pennsylvania. Petitioner also states, upon written notice from the Board, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner's provision of local service to customers will provide a competitive alternative to the public and it will promote, through competition, the efficient use of the local exchange telecommunications networks. Petitioner also asserts that approval of this Petition will benefit customers by having alternatives from which to choose from and provide general improvements in price, features and options that are generated by competitive pressures. Expedited approval will provide benefits to business customers in New Jersey.

With regard to its technical and managerial qualifications, ALL states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted a list of corporate officers and directors along with management profiles who, according to ALL, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

Petitioner states it is a privately held corporation and maintains that its financial information is confidential and will therefore be submitted under seal.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et. seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed ALL's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner has demonstrated it possesses the requisite financial, technical and managerial resources which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide facilities based local exchange and exchange access telecommunications services throughout New Jersey subject to approval of its tariff and submission of pro forma financials for its New Jersey operations. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60, and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and the Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided.

The Board HEREBY ORDERS that:

- 1) Petitioner file its tariff for Board approval.
- 2) Pursuant to N. J. S. A. 48:2-16.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year.
- 3) Pursuant to N. J. S. A. 48:2-59 and 48:2-60, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 the following year.

On or before February 1st of each year, the Petitioner will receive from the Division of Telecommunications, an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the company's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and statement of gross intrastate revenues from operations form is due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's duty and responsibility to make an inquiry at the Board and obtain these documents. It is Petitioner's duty and responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board its books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in New Jersey and under the USOA.

DATED: 02/06/03

BOARD OF PUBLIC UTILITIES
BY:

(SIGNED)

JEANNE M. FOX
PRESIDENT

(SIGNED)

FREDERICK F. BUTLER
COMMISSIONER

(SIGNED)

CAROL J. MURPHY
COMMISSIONER

(SIGNED)

CONNIE O. HUGHES
COMMISSIONER

(SIGNED)

JACK ALTER
COMMISSIONER

ATTEST:

(SIGNED)
KRISTI IZZO
SECRETARY

IN THE MATTER OF THE PETITION FOR AN ORDER AUTHORIZING
AMERICAN LONG LINES, INC. TO PROVIDE COMPETITIVE FACILITIES-BASED
LOCAL EXCHANGE SERVICES AND EXCHANGE ACCESS SERVICES
THROUGHOUT THE STATE OF NEW JERSEY
DOCKET NO. TE02070392

SERVICE LIST

Serial No.	<u>Name and Address</u>	Serial No.	<u>Name and Address</u>
1	Petitioner's Contact Person: Dennis Connor, CFO 700 Enterprise Drive, 2 nd Floor Horsham, Pennsylvania 19044	5	Board's Staff: Walter P. Szymanski, Director Division of Audits Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
2	Petitioner's Attorney: James H. Laskey, Esquire Norris McLaughlin & Marcus, PA Attorneys At Law P.O. Box 1018 Somerville, NJ 08876-1018	6	Board's Staff: Anthony Centrella, Director Division of Telecommunications Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
3	Ratepayers Advocate: Seema M. Singh, Esquire Acting Director and Ratepayer Advocate Division of Ratepayer Advocate 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, New Jersey 07101	7	Board's Staff: James F. Murphy, Chief Bureau of Revenue Requirements Division of Telecommunications Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
4	Ratepayers Advocate: Ava-Marie Madeam, Esquire Division of Ratepayer Advocate 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, New Jersey 07101	8	Board's Staff – DAG: Peter Tanella Department of Law & Public Safety Division of Law 124 Halsey Street, 5 th floor P.O. Box. 45029 Newark, New Jersey 07102